

## Kentucky State Income Tax Information

**State Abbreviation:** KY  
**State Tax Withholding State Code:** 21  
**Acceptable Exemption Form:** K-4  
**Basis For Withholding:** State Exemptions  
**Acceptable Exemption Data:** 0 / Number of Exemptions  
**TSP Deferred:** Yes  
**Special Coding:** Determine the Total Number Of Allowances field as follows:  
     **First Position** - Enter 0 (zero).  
     **Second and Third Positions** - Enter the number of exemptions claimed.  
**Additional Information:** None

### Withholding Formula ►(Effective Pay Period 7, 2006)◄

1. Subtract the nontaxable biweekly Thrift Savings Plan contribution from the gross biweekly wages.
2. Subtract the nontaxable biweekly Federal Health Benefits Plan payment(s) (includes flexible spending account - health care and dependent care deductions) from the amount computed in step 1.
3. Add the taxable biweekly fringe benefits (taxable life insurance, etc.) to the amount computed in step 2 to obtain the adjusted gross biweekly wages.
4. Multiply the adjusted gross biweekly wages by 26 to obtain the annual wages.
5. Subtract the standard deduction of ►\$1,970◄ from the result of step 4 to compute the taxable income.
6. Apply the taxable income computed in step 5 to the following table to determine the annual Kentucky tax withholding.

**Tax Withholding Table**

If the Amount of Taxable Income Is:		The Amount of Kentucky Tax Withholding Should Be:			
Over:	But Not Over:				Of Excess Over:
\$ 0	\$ 3,000	\$ 0	plus	2%	\$ 0
3,000	4,000	60	plus	3%	3,000
4,000	5,000	90	plus	4%	4,000
5,000	8,000	130	plus	5%	5,000
8,000	\$75,000	280	plus	5.8%	8,000
75,000	and over	4.166	plus	6%	75,000

7. Determine the exemption allowance by applying the following guideline and subtract this amount from the result of step 6 to compute the annual Kentucky tax withholding.

$$\text{Exemption Allowance} = \$20 \times \text{Number of Exemptions}$$

8. Divide the annual Kentucky tax withholding by 26 to obtain the biweekly Kentucky tax withholding.